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SUGAR
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1961-62 WORLD SUGAR

PRODUCTION DROPS

After a record 60.8 million tons raw value in 1960-61, world production of centrifugal sugar in 1961-62 will be down appreciably. An output of 57.5 million tons is now indicated, some 5.5 percent lower than last year's record.

Most of the reduction will be in beet sugar, which is expected to be down about 2.6 million tons or 9 percent. However, cane sugar also will be down -- about 2 percent. Cane sugar will constitute about 58.6 percent of world production this season and beet sugar 41.4 percent. This is about the same cane sugar-beet sugar relationship as existed in the five pre-war years 1935-36 through 1939-40.

The primary cause of the prospect for reduced world sugar production this season has been acreage cutbacks in many countries burdened with heavy stocks carried over from former years, particularly in Western Europe. The weather has been considerably less favorable than it was for the prior year's bumper outturn.

Of the world total centrifugal sugar production this season, about 29 percent will be in North America, including Central America and Caribbean countries. All of Europe, excluding the U.S.S.R., will account for an additional 22 percent, Asia nearly 16 percent, the U.S.S.R. about 12 percent, South America about 12 percent, Africa 5 percent and Oceania (principally Australia) 3 percent. This distribution by areas is very similar

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This circular contains more detailed information than the summary published in the monthly supplement issue of Foreign Crops and Markets of November 30, 1961.

to that of last year, except that then Europe produced nearly 26 percent, offset by smaller percentages in most of the other areas.

Current production compared with the average for the 5 years 1950-51 through 1954-55 indicates an upward trend relative to world sugar production in the U.S.S.R., Asia, South America and Africa, but a relative decline elsewhere, especially in North America and Europe. Actual tonnage of centrifugal sugar produced, however, has increased substantially in the last decade in all major areas.

Notes on Selected Countries

Western Europe

Sugar production this season is expected to be below that of last year in 9 of the 13 Western European countries, and in all of the Eastern European countries except Poland where it will be up slightly in spite of a slightly lower yield of beets per acre. Production of sugar will be down nearly 23 percent in Western Europe, more than 9 percent in Eastern Europe, and 18 percent in the 2 areas combined.

France: In March, 1961, the French Government recognized the sizable sugar surplus situation in that country by reducing the earlier announced refined sugar production quota or goal on which export subsidies would be paid. Consequently there was a 17-percent drop in the area planted to sugar beets. This, coupled with a substantial drop in yield, resulted in a much lower beet crop and a potential sugar output estimated in October at about 1.8 million short tons raw value 1/, or 40 percent smaller than the 1960-61 record. Even so, the output will exceed the quota considerably. To relieve the situation, the sugar mills will be permitted to produce 10 percent more than their original quota, on condition this excess will be blocked out and charged against the quota next year.

West Germany: A 12-percent reduction in sugar beet acreage and unfavorable weather conditions in West Germany in 1961 have resulted in a sugar beet crop nearly 30 percent smaller than in 1960. Assuming slightly lower extraction rates than last year, the 1961-62 sugar output is estimated at about 1.5 million tons, or 30 percent less than in the prior campaign and slightly less than in 1959-60. This reduced production, the greatly reduced imports planned in 1962, the sustained consumption and expanded exports (principally development aid for Pakistan) all are expected to bring carryover stocks October 1, 1962, down to a relatively low figure.

1/ Unless otherwise clearly stated, all references to sugar production in this Circular are in terms of short tons, equivalent raw value.

Italy: Italy's 1961-62 sugar production was forecast on the basis of average-crop outturn on a harvested acreage of sugar beets expected to be 3 percent below last year. The nearly 1.1 million tons of sugar thus indicated would be slightly more than was produced in 1960-61 but substantially less than the record of nearly 1.6 million tons in 1959-60. On the basis of projected consumption and foreign trade, Italy's carryover will decline considerably this season.

United Kingdom: With beet acreage down slightly and yield of beets down substantially from last year, production of sugar from home-grown beets in the United Kingdom this season is expected to be down about 13 percent from the 1960-61 record. The United Kingdom produces itself only about one-fourth of its sugar needs. The balance is supplied from refining raw sugar imported principally from Commonwealth countries.

Eastern Europe

Poland: Poland is by far the largest producer of sugar in Eastern Europe, excluding of course, the U.S.S.R. which is partly in Europe, partly in Asia. Poland is the only country in Eastern Europe which is expected to produce more sugar this season than last. The area in beets has been reported to be about 5 percent larger than last year. Yield of beets per acre has been higher than average but not quite as high as in 1960 when Poland harvested more beets than ever before. A 1.7-million-ton sugar output for 1961-62 is now expected.

Czechoslovakia: Czechoslovakia is the second largest sugar producer in Eastern Europe. Its production this season is expected to be slightly more than 1 million tons, down about 8 percent from last season. Beet acreage was maintained but yields are substantially below last year's record.

U.S.S.R.

The U.S.S.R. is expanding its sugar beet processing capacity by building new factories. Plans call for a substantial increase in consumption of sugar which if achieved will in time bring it up to more than 100 pounds per capita. In 1960, it was about 65 pounds per capita, according to the Economic Gazette. The trend in sugar content of beets produced has been slightly downward during the 1951-60 decade.

Production of sugar from domestically-grown sugar beets in 1961-62 is tentatively forecast at about 7 million short tons raw value, on the basis of incomplete information last October. This would be a 6-percent increase from the revised estimate of 1960-61 production.

Sugar refined in the U.S.S.R. from imported raw sugar, principally from Cuba, is not included in these estimates.

Latin America

Cuba: Cuba's sugar production this season beginning January 1962 is expected to be somewhat more than 6 million tons. Although estimates vary, all sources seem to agree that Cuba's production will be down substantially from the 1961 output for many reasons. In the all-out effort to produce as much as possible in 1961, virtually all of the usable cane was cut, including much that normally would have been allowed to stand uncut until this season. Further deterioration of mill equipment, and cannibalizing of some mills to keep others going, have been reported. Some progress may have been made in the move to de-emphasize sugarcane and push other crops. Finally, it appears that the sugar carryover at the beginning of this season may be larger than desired and a sober appraisal of export possibilities may have been made.

Mexico: Mexico expects a record sugar output of about 1.8 million tons from an increased cane acreage to be cut, and cane yields above last year when they were reduced by unusually dry weather. Most of Mexico's sugar production is for domestic use. However, it also has exported substantial quantities of sugar, of which one-third or more usually went to the United States. In the last year and a half, Mexico has had the opportunity to share importantly in supplying additional sugar to the United States to help replace that temporarily cut off from Cuba.

Dominican Republic: Because of the lack of diplomatic relations with the Dominican Republic, very little reliable statistical information has been available recently. For this reason, the estimates for this country not only for 1961-62 but also for 1960-61 are highly tentative and may be revised substantially. Information received after preparation of the table indicates the 1960-61 figure may need to be revised downward and that for 1961-62 upward.

Brazil: Sugar production in Brazil is controlled by production quotas for each mill. For the year beginning June 1, 1961, these have been set at levels indicating a total production of approximately 4.1 million tons, or about 8 percent more than was produced in 1960-61.

Peru: Sugar production in Peru in 1962 is forecast at only 2 percent more than the current estimate of production for 1961 which is about 6 percent above 1960. Acreage of sugarcane harvested in 1962 is not expected to be much larger than in 1961, already up substantially over earlier years, but yield of cane per acre is expected to be significantly higher. Yields have been increasing in recent years through greater use of improved cane varieties, improved methods of fertilization and cultivation, and some progress in mechanization which has assisted timely harvesting.

Argentina: Sugar output this season is forecast at about 783,000 tons, some 14 percent below that of 1960-61 and only slightly higher than average for the 5 years 1950-51 through 1954-55. Since 1958, the Argentina sugar industry has been burdened with surplus sugar. Because of high domestic prices and depressed world market prices, there have been few profitable export opportunities. The government has attempted to bring supplies into balance through payment of a subsidy on exports, and by limiting production.

Colombia: The centrifugal sugar production of Colombia more than doubled from 1951 through 1960, and further expansion is possible. During this same period, Colombia has been a net importer of sugar in more years than it has been a net exporter. Four of Colombia's 21 sugar mills produced about 54 percent of the country's total 1961 production, and these 4 are said to be able to compete at world prices. Total production in 1961-62 is expected to be up about 12 percent over 1960-61 as a result both of increased acreage of sugarcane for harvest and of favorable weather.

Asia

India: Production of centrifugal sugar in India this season is expected to be down more than 6 percent from the record high of 4 million tons in 1960-61. This is not due to any shortage of cane but, rather, to a shift in policy.

In its drive to increase earnings of foreign exchange, the Indian Government has been anxious to increase exports of centrifugal sugar in spite of losses involved. Various incentives were offered in 1959-60 and continued in 1960-61 to induce farmers to deliver more sugarcane to the centrifugal mills and less to the non-centrifugal sugar or gur makers. Centrifugal sugar manufacturers were given a rebate of 50 percent of the excise tax on production in excess of their average for the 2 prior seasons.

These incentives succeeded only too well. Production increased sharply over 1959-60 and India now has a large surplus seeking export markets. The government has now withdrawn the tax incentive and has fixed production targets for each factory in 1961-62 at 10 percent below the quantity produced in 1960-61. Domestic sugar prices remain high relative to world market levels, and high in relation to per capita purchasing power. Per capita consumption of centrifugal sugar in India remains relatively low.

Republic of the Philippines: Centrifugal sugar production in the Philippines in 1961-62 is now expected to be slightly more than 1.6 million tons. This would be 13 percent more than the 1960-61 production of 1,451,453 tons 1/. The increase will be the result of increases in both acreage and yield of sugarcane.

1/ This revised figure was released by the Philippine Sugar Association after the tables in this Circular had been prepared.

After many years of regulating production at about the level required to fill a fixed quota for sales in the United States, plus domestic requirements, the Philippines is now making a strong effort to supply all the sugar which can be allotted to the Republic under the provisions of the extended U.S. Sugar Act relative to replacement of Cuban sugar. Because this effort in 1961 created some temporary difficulties in maintaining domestic supply in the Philippines, provision is being made out of the expected increase in production for a substantially larger Philippine domestic supply quota.

Indonesia: Indonesia has regained less than half of its prewar importance in centrifugal sugar production. Production is forecast for 1961-62 at about 716,000 tons, about 4 percent less than in 1960-61 and far less than the stated domestic requirements of 926,000 tons.

The government, which owns and operates the centrifugal sugar mills, is caught between the need for stimulating greater output of such sugar and the desire to restrain the upward spiral of food prices. Diversion of sugarcane from centrifugal mills to the production of "gula mangkok", the noncentrifugal home-made brown sugar which has been freer from government controls, or use of the land for other crops than sugarcane, have been more profitable for many farmers. In addition to lack of adequate incentives, many other factors such as worn-out machinery, shortage of skilled personnel, and poor care of plantations contribute to the situation.

Turkey: Sugar output in Turkey in 1961-62 is expected to be about 480,000 tons, or nearly 38 percent less than the record output of 771,000 tons in 1960-61. This decline is the result of an intentionally sharp reduction in sugar beet acreage and harvest, in response to the difficulties and losses involved in exporting the surplus over domestic requirements. For 1961-62 not more than 375,000 tons will be needed for domestic use. The factories have been reimbursed out of a special fund of the budget for losses involved in exporting at world prices.

Australia: Sugar production in Australia in the sugar year beginning June 1, 1961, is forecast at nearly 1.5 million tons, only slightly less than in 1960-61. The reduction is the result of adverse seasonal conditions in some Queensland districts and northern New South Wales. Cane supplies available for crushing are just sufficient to permit production up to Queensland mill peaks, in contrast to the preceding 2 seasons when substantial quantities of cane had to remain unharvested. Dry weather, heavy frosts in the central and southern cane growing areas, and an overall lower sugar content of the cane were largely responsible for the lower production.

In order to offset the lower cane yields and sugar production in some districts, increased production quotas have been granted to mills with surplus cane available. When it became evident that the crop would fall short of earlier expectations, the Queensland Sugar Board in a series of proclamations authorized production substantially in excess of mill peaks. However, lack of sufficient excess cane will restrict most mills to well below peak levels.

CENTRIFUGAL SUGAR (raw value): Production in specified countries, average 1950-51 through 1954-55, annual 1958-59 through 1961-62 1/ 2/

Continent and country	Average 1950-51 through 1954-55	1958-59	1959-60	1960-61	1961-62 3/
North America (cane unless otherwise indicated)	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North					
Canada (beet)	142	187	151	162	152
Mexico	900	1,460	1,731	1,591	1,835
United States					
Continental (beet)	1,785	2,200	2,340	2,450	2,600
Continental (cane)	566	579	616	630	770
Hawaii	1,066	975	936	1,090	1,150
Puerto Rico	1,228	1,087	1,019	1,110	1,200
Virgin Islands of the U.S.	11	12	7	17	15
Central					
Costa Rica	33	58	55	74	95
El Salvador	35	54	56	58	62
Guatemala	43	70	77	94	113
Nicaragua	37	75	70	74	102
Panama	19	24	26	30	34
Caribbean					
Cuba	6,078	6,574	6,462	7,460	6,020
Dominican Republic	657	994	1,120	1,370	1,050
Guadeloupe	105	159	168	185	190
Haiti	60	55	66	80	80
Martinique	65	86	89	102	102
West Indies Federation					
Barbados	176	190	157	163	170
Jamaica	364	421	468	492	500
St. Kitts	55	52	56	52	56
Trinidad and Tobago	179	203	244	275	260
Other North America	52	81	68	75	80
Total North America	13,656	15,596	15,982	17,634	16,636
South America (cane unless otherwise indicated):					
Argentina	773	1,185	1,041	914	783
Bolivia	5	17	19	27	35
Brazil	2,110	3,770	3,550	3,797	4,103
British Guiana	266	350	340	365	350
Chile (beet)	4	59	60	84	42
Colombia	235	292	335	390	438
Ecuador	60	96	110	113	110
Paraguay	24	41	38	32	35
Peru	628	794	904	942	965
Surinam	7	10	12	12	12
Uruguay (beet and cane)	21	35	16	33	43
Venezuela	94	180	205	260	245
Total South America	4,227	6,829	6,630	6,969	7,161
Europe (beet unless otherwise indicated):					
West					
Austria	177	320	326	324	264
Belgium-Luxembourg	395	510	241	555	411
Denmark	351	431	271	365	270
Finland	30	4/ 42	4/ 51	4/ 68	4/ 67
France	1,549	1,725	1,162	3,006	1,797
Germany, West	1,255	2,064	1,533	2,155	1,507
Ireland	113	125	157	147	158
Italy	828	1,264	1,550	1,078	1,095
Netherlands	457	629	550	782	647
Spain (cane and beet)	392	514	598	567	633
Sweden	4/ 331	4/ 296	313	395	333
Switzerland	34	40	45	40	40
United Kingdom	764	879	943	1,082	941
Total West Europe	6,676	8,839	7,740	10,564	8,163
East					
Albania 5/	6	12	15	15	14
Bulgaria 5/	83	182	158	205	176
Czechoslovakia	803	1,018	791	1,132	1,040
Germany, East 5/	855	942	874	970	716

CENTRIFUGAL SUGAR (raw value): Production in specified countries, average 1950-51 through 1954-55, annual 1958-59 through 1961-62 1/ 2/ - Continued

Continent and country	Average 1950-51 through 1954-55	1958-59	1959-60	1960-61	1961-62 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Europe: East - continued					
Hungary	284	323	423	525	408
Poland 5/	1,047	1,312	1,072	1,650	1,700
Rumania	139	201	384	400	397
Yugoslavia	158	202	295	317	276
Total East Europe	3,375	4,192	4,012	5,214	4,727
Total Europe	10,051	13,031	11,752	15,778	12,890
U.S.S.R. (Europe and Asia)	3,010	6,800	6,300	6,600	7,000
Africa (cane unless otherwise indicated:					
North					
Ethiopia-Eritrea	4	42	47	44	45
Madeira and Azores (cane and beet)	11	13	13	13	13
Somali Republic	7	10	11	11	11
U.A.R., Egypt	264	348	399	389	430
Central					
Angola	56	57	67	69	70
Congo, Republic of the	18	24	39	31	35
Kenya, Tanganyika, Uganda	91	161	180	200	215
Malagasy Republic	18	75	72	97	92
Mauritius	535	580	640	260	595
Mozambique	98	169	183	182	185
Reunion	163	185	224	244	242
Rhodesia and Nyasaland, Fed. of	2	8	12	31	35
South					
Republic of South Africa	689	6/ 1,135	6/ 1,062	6/ 1,052	6/ 1,127
Total Africa	1,956	2,807	2,949	2,623	3,095
Asia (cane unless otherwise indicated):					
Southwest					
Iran (beet)	80	128	156	132	140
Turkey (Europe and Asia) (beet)	205	419	599	771	480
East Central					
China, Mainland (cane and beet)	293	520	650	630	630
South and East					
Burma	19	46	46	48	50
China, Taiwan	727	1,074	882	1,044	942
India	1,690	2,662	3,323	4,042	3,775
Indonesia	578	854	942	743	716
Japan (beet:includes cane beginning 1959-60)	38	145	172	173	215
Pakistan	85	204	156	168	198
Philippines	1,191	1,512	1,529	1,563	1,601
Thailand	40	110	187	150	175
Other Asia (cane and beet)	10	36	58	78	74
Total Asia	4,956	7,710	8,700	9,542	8,996
Oceania (cane)					
Australia	1,125	1,543	1,401	1,503	1,490
Fiji	143	219	305	165	220
Total Oceania	1,268	1,762	1,706	1,668	1,710
World total (cane)	23,718	31,334	32,210	34,362	33,681
World total (beet)	15,406	23,201	21,809	26,452	23,807
World total (cane and beet)	39,124	54,535	54,019	60,814	57,488

1/ Centrifugal sugar, as distinguished from non-centrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade.
2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began.
3/ Preliminary.
4/ Includes sugar from imported beets.
5/ Production relates to calendar years for the first of the two years indicated in crop-year heading.
6/ Includes Swaziland.

Foreign Agricultural Service. Official publications of foreign governments, reports of Agricultural Attaches and other U.S. representatives abroad and other information.

NON-CENTRIFUGAL SUGAR: Production in specified countries, average 1950-51 through 1954-55, annual 1958-59 through 1961-62 1/ 2/

Continent and country	Average 1950-51 through 1954-55	1958-59	1959-60	1960-61	1961-62 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:					
El Salvador	22	29	29	19	20
Guatemala	59	72	48	62	60
Mexico	157	165	165	154	154
Nicaragua	23	25	20	18	23
Panama	11	7	5	2	2
Total	272	298	267	255	259
Asia:					
Burma	93	160	157	157	157
China, Mainland	300	475	600	582	582
India	3,285	4,124	4,575	3,968	4,409
Indonesia	131	318	291	334	334
Japan	22	25	27	37	21
Pakistan	952	1,500	1,050	1,120	1,120
Philippines	63	78	64	72	72
China, Taiwan	13	28	18	25	22
Thailand	70	78	79	127	132
Viet Nam	4	28	25	25	25
Total	4,933	6,814	6,886	6,447	6,874
South America:					
Colombia	470	550	550	600	600
Ecuador	27	26	28	30	30
Peru	28	29	35	28	28
Venezuela	81	65	75	70	70
Total	606	670	688	728	728
Total of above countries	5,811	7,782	7,841	7,430	7,861

1/ Non-centrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc.
2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began.
3/ Preliminary.

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